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BEFORE THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE

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IN RE:

UNITED CITIES GAS COMPANY, a Division of  
ATMOS ENERGY CORPORATION  
INCENTIVE PLAN ACCOUNT (IPA) AUDIT

TN REGULATORY AUTHORITY  
DOCKET ROOM

DOCKET NO.  
01-00704

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RESPONSE TO FIRST DATA REQUEST FILED BY UNITED CITIES GAS COMPANY

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Pursuant to the *Order Scheduling Discovery, Response and Oral Argument Relative to Motions for Summary Judgment*, issued by the Hearing Officer on August 29, 2002, the Tennessee Regulatory Authority (the "Authority") staff participating as a party in this matter (the "Staff") hereby makes the following responses to the discovery requests in the *First Data Request from United Cities Gas Company to the Staff of the Tennessee Regulatory Authority*, filed by United Cities Gas Company ("United Cities") on July 23, 2002.

**Request No. 1.** Please specify the reasoning and basis for the TRA's decision to exclude Dan McCormac from participating in Docket No. 01-00704 as either a TRA staff member or as an advisor to the TRA.

**Response:** It is the Staff's belief that Mr. McCormac was excluded from participating in Docket No. 01-00704 because of his having testified on behalf of the Consumer Advocate Division in Docket No. 97-01364, in which the Consumer Advocate opposed United Cities' performance-based ratemaking plan.

**Request No. 2.** With respect to Data Request No. 1, identify the person or persons who participated in and/or made the decision to exclude Mr. McCormac from participating in Docket No. 01-00704 as either a TRA staff member or as an advisor to the TRA.

**Response:** It is the Staff's belief that Authority General Counsel Richard Collier was responsible for the decision to exclude Mr. McCormac. The Staff does not have sufficient information to know whether Mr. Collier made this decision alone or in consultation with other Authority employees.

**Request No. 3.** With respect to the meeting held in January, 2001, with United Cities Gas personnel concerning the negotiated transportation discounts, identify all employees of the TRA who participated in the meeting, and produce any and all documents presented to the TRA staff at that meeting by United Cities, as well as any documents reflecting notes taken by the TRA staff in said meeting.

**Response:** To the best of the Staff's knowledge, the only Authority employees present at the January 2001 meeting were Mike Horne and Pat Murphy of the Energy and Water Division. Mr. Horne is no longer employed with the Authority. The only documents Ms. Murphy retained from the January 2001 meeting are the meeting agenda and accompanying handouts presented by United Cities, on which she made a few handwritten notes. Copies of these documents are attached to the copy of this response that is being served on United Cities. These documents have been previously filed under seal as exhibits to the Staff's brief in support of its motion for summary judgment and are not being filed with this response.

**Request No. 4.** Since January 1, 1996, has the TRA adjusted any tariff rates and/or provisions after the conclusion of a plan year, but prior to the final approval of an audit for that applicable year for any utility regulated by the TRA?

**Response:** In answering this question, the Staff assumes that it refers exclusively to tariffs that involve a "plan year" and an audit following such plan year. It is the Staff's understanding that this description only applies to a small number of tariffs filed by companies

overseen by the Authority's Energy and Water Division. It is the Staff's belief that the Authority has made no such adjustment.

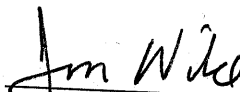
**Request No. 5.** If your response to Data Request No. 4 was in the affirmative, please identify each and every time this has occurred, and describe the adjustment that was made.

**Response:** See response to Data Request No. 4.

**Request No. 6.** Identify and produce any and all documents which reflect communications by and/or between the members of the TRA staff, including its legal counsel and the staff of the Attorney General, Consumer Advocate Division, which refer and/or relate to the matters at issue in Docket No. 01-00704.

**Response:** Certain e-mail messages exist containing communications between representatives of the Staff and the Consumer Advocate. The Staff is withholding these documents on the grounds that they are protected by the attorney-client privilege and attorney work product doctrine.

Respectfully submitted,



Jon Wike  
Counsel for Authority Staff  
Participating as a Party

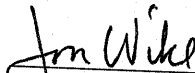
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CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of September, 2002, true and accurate copies of the foregoing were served by facsimile to:

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